

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Frenchtown Charter Township Resort District Authority	County Monroe
Audit Date December 31, 2004	Opinion Date March 9, 2005	Date Accountant Report Submitted to State June 9, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on the financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Government Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

- 1 We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
- 2 We are certified public accountants registered to practice in Michigan.

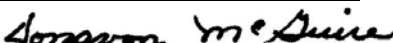
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below.

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1 | Certain component units/funds/agencies of the local government unit are excluded from the financial statements.  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2 | There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3 | There are instances of non-compliance with the Uniform Accounting and Budgeting Act ( P.A. 2 of 1968, as amended.  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4 | The local unit has violated the conditions of either an order issued under the Municipal Finance Act of its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5 | The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6 | The unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7 | The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more that 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8 | The unit uses credit cards and has not adopted an applicable policy as required by P.A. 286 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9 | The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
The reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU)			X

Certified Public Account (Firm Name) McGuire & Cavan CPAs			
Street Address 6588 Secor Road		City Lambertville	State MI
Accountant Signature 		Zip 48144	Date June 9, 2005



*McGuire & Cavan*  
*Certified Public Accountants*

L. Donavon McGuire, CPA  
Maureen A. Cavan, CPA

6588 Secor Road  
Lambertville, MI 48144  
Tel 734-854-5044  
Fax 734-854-2540

March 9, 2005

Frenchtown Charter Township  
Resort District Authority Board  
Monroe, MI

Dear Board Members,

Our audit of the financial statements of Frenchtown Charter Township Resort District Authority for the year ended December 31, 2004, was made in accordance with the generally accepted auditing standards which require that we determine that existing internal controls, accounting procedures and accounting records are adequate to allow us to express an opinion on the financial statements of the Resort District Authority. The scope of our audit is not intended to be a detailed review of all systems and procedures; therefore, this report should not be considered all inclusive.

As a result of our audit, we have the following comments:

**Organizational Structure** – The size of the Authority's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that Board of Directors remain involved in the financial affairs of the Authority to provide oversight and independent review functions.

**Financial Reporting Changes** – The Governmental Accounting Standards Board Statement No. 34 is now in effect. Your financial statements are presented in the required format, including depreciation of fixed assets and a required Management Discussion and Analysis section in the financial statements.

We would like to take this opportunity to thank both the Board Officials and the employees who provided assistance to us during our audit. If you have any questions regarding any of the suggestions noted above or would like assistance in implementation, please contact us.

Sincerely,

L. Donavon McGuire, CPA  
McGuire & Cavan  
Certified Public Accountants

**FRENCHTOWN CHARTER TOWNSHIP**  
**RESORT DISTRICT AUTHORITY**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

*McGuire & Cavan*  
*Certified Public Accountants*

***FRENCHTOWN CHARTER TOWNSHIP RESORT DISTRICT AUTHORITY***

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***AUTHORITY OFFICIALS***

***CHAIRMAN -----James K. Spas***

***VICE-CHAIRMAN ----- Molly Luempert-Coy***

***SECRETARY -----Georgianna Conte***

***TREASURER -----Kraig Yoas***

***MEMBER -----Robert J. Gagne***

***DIRECTOR -----Arden T. Westover, Sr.***

**TABLE OF CONTENTS**

	Page No.
Independent Auditor's Report	1
Management's Discussion and Analysis	2-3
<i>Basic Financial Statements:</i>	
Governmental Fund Balance Sheet - Statement of Net Assets	4
Statement of Governmental Fund Revenue, Expenditures and Changes in Fund Balance - Statement of Activities	5
Notes to the Financial Statements	6-11
<i>Additional Information</i>	
Budgetary Comparison Schedule - General Fund	12

## INDEPENDENT AUDITOR'S REPORT

Frenchtown Charter Township Resort District Authority  
2979 Nadeau Road  
Monroe, MI 48162

To the Board:

We have audited the accompanying financial statements of Frenchtown Charter Township Resort District Authority as of and for the year ended December 31, 2004, as listed in the table of contents. These financial statements are the responsibility of Frenchtown Charter Township Resort District Authority' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frenchtown Charter Township Resort District Authority as of December 31, 2004, and the changes in financial position for the year then ended in conformity with generally accepted accounting principles in the United States of America.

The management's discussion and analysis on pages 2 through 3 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion in it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Frenchtown Charter Township Resort District Authority's financial statements. The required supplementary budgetary comparison is presented for purposes of additional analysis and is not a required part of the basic financial statements. The required supplementary budgetary comparison has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGuire & Cavan*

McGuire & Cavan  
Certified Public Accountants

March 9, 2005

**Using this Annual Report**

This annual report consists of two types of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending.

**The Authority as a Whole**

The Authority's net assets increased 27% from a year ago – increasing from 4,953.0 thousand to 6,271.3 thousand. In a condensed format, the table below shows a comparison of the net assets (in thousands of dollars) as of the current date to the prior year:

	<u>2004</u>	<u>2003</u>
Current Assets	\$ 5,630.3	\$ 5,204.9
Noncurrent Assets	1,184.1	18.2
Total Assets	<u>6,814.4</u>	<u>5,223.1</u>
Accrued Liabilities	<u>543.1</u>	<u>270.1</u>
Total Liabilities	<u>543.1</u>	<u>270.1</u>
Net Assets		
Invested in Capital Assets	1,184.1	18.2
Unrestricted	<u>5,087.2</u>	<u>4,934.8</u>
Total Net Assets	<u>\$ 6,271.3</u>	<u>\$ 4,953.0</u>

Unrestricted net assets--the part of net assets that can be used to finance day to day operations, increased by \$152.4. This represents an increase of approximately 3%. The current level of unrestricted net assets for our activities stands at \$5,087.2, or about 685% of expenditures. This is within the targeted range set by the Authority Board during its last budget process.

The following table shows the changes of the net assets (in thousands of dollars) as of the current date to the prior year:

	<u>2004</u>	<u>2003</u>
Revenues		
Taxes	\$ 1,973.1	\$ 2,290.0
Interest	87.2	87.4
Other	<u>-</u>	<u>0.5</u>
Total Revenues	<u>2,060.3</u>	<u>2,377.9</u>
Expenses		
General Government	51.6	47.9
Public Safety	146.7	134.8
Public Works	<u>543.7</u>	<u>3,450.1</u>
Total Expenses	<u>742.0</u>	<u>3,632.8</u>
Change in Net Assets	<u>\$ 1,318.3</u>	<u>\$ (1,254.9)</u>

The Authority's net assets continue to remain healthy. With an decrease in taxes, the total revenues decreased while we were able to decrease expenses. As a result, net assets grew by \$1,318.3.

**Activities**

The Authority's total revenues decreased by approximately \$317.6 thousand, primarily due to the continuing decrease in taxes.

Expenses decreased during the year. This was primarily the result of close budget monitoring throughout the year.

**Budgetary Highlights**

Over the course of the year, the Authority Board amended the budget to take into account events during the year. The Authority overall stayed below budget, resulting in total expenditures \$2,606,010 below budget. This allowed the fund balance to increase from \$2,842,435 a year ago to \$3,113,745 at December 31, 2004.

**Capital Asset and Debt Administration**

At the end of 2004, the Authority had \$1,184,802 invested in capital assets, including land, equipment and infrastructure. The Authority currently has no debt.

**Economic Factors and Next Year's Budgets and Rates**

The Authority's budget for 2005 calls for a decrease in taxes, however, the Authority needs to continue to plan its budget carefully.

The Authority previously commissioned an engineering study of existing dikes in the Resort District. The Board is now planning to upgrade the system to provide better flood protection for the future. The approach to the project is to be decided, either to fund repairs annually over a period of years or to issue bonds and complete all repairs at one time.

**Contacting the Authority's Management**

This financial report is intended to provide a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact our office.



**FRENCHTOWN CHARTER TOWNSHIP RESORT DISTRICT AUTHORITY**  
**GOVERNMENTAL FUND BALANCE SHEET - STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2004**

	<i>Modified Accrual Basis</i>	<i>Adjustments</i>	<i>Statement of Net Assets</i>
<b>Assets:</b>			
Cash & Cash Equivalents	\$ 3,656,867	\$ -	\$ 3,656,867
Taxes Receivable	1,973,450	-	1,973,450
 <i>Capital Assets:</i>			
Land	-	6,716	6,716
Equipment	-	34,637	34,637
Infrastructure	-	659,778	659,778
Construction in Progress	-	538,535	538,535
Less Accumulated Depreciation	-	(55,564)	(55,564)
Total Assets	<u>\$ 5,630,317</u>	<u>\$ 1,184,102</u>	<u>\$ 6,814,419</u>
 <b>Liabilities:</b>			
Accounts Payable	\$ 543,122	\$ -	\$ 543,122
Deferred Revenue	1,973,450	(1,973,450)	-
Total Liabilities	<u>2,516,572</u>	<u>(1,973,450)</u>	<u>543,122</u>
 <b>Fund Balance - Net Assets</b>			
Fund Balance - Unreserved	<u>3,113,745</u>	<u>(3,113,745)</u>	<u>-</u>
Total Liabilities & Fund Equity	<u>\$ 5,630,317</u>		
 <b>Net Assets</b>			
Invested in Capital Assets		1,184,102	1,184,102
Unrestricted		<u>5,087,195</u>	<u>5,087,195</u>
Total Net Assets		<u>\$ 6,271,297</u>	<u>\$ 6,271,297</u>

See Accompanying Notes to the Financial Statements.

**FRENCHTOWN CHARTER TOWNSHIP RESORT DISTRICT AUTHORITY**  
**STATEMENT OF GOVERNMENTAL FUND REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2004**

	<i>Modified Accrual Basis</i>	<i>Adjustments</i>	<i>Statement of Activities</i>
<b>Revenue:</b>			
Taxes	\$ 2,092,015	\$ (118,888)	\$ 1,973,127
Interest	87,235	-	87,235
	<hr/>	<hr/>	<hr/>
Total Revenue	2,179,250	(118,888)	2,060,362
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
General Government	50,844	791	51,635
Public Safety	138,651	8,062	146,713
Public Works	1,718,445	(1,174,762)	543,683
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,907,940	(1,165,909)	742,031
	<hr/>	<hr/>	<hr/>
<b>Excess of Revenue Over (Under) Expenditures</b>	271,310	1,047,021	1,318,331
	<hr/>	<hr/>	<hr/>
<b>Fund Balance - Net Assets, Beginning</b>	2,842,435	2,110,531	4,952,966
	<hr/>	<hr/>	<hr/>
<b>Fund Balance - Net Assets, Ending</b>	\$ 3,113,745	\$ 3,157,552	\$ 6,271,297
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

- NOTE 1 - *Summary of Significant Accounting Policies*
- NOTE 2 - *Reconciliation of Government-Wide and Fund Financial Statements*
- NOTE 3 - *Stewardship, Compliance and Accountability*
- NOTE 4 - *Deposits and Investments*
- NOTE 5 - *Receivables*
- NOTE 6 - *Capital Assets*
- NOTE 7 - *Pending Litigation*
- NOTE 8 - *Employee Retirement Plan*
- NOTE 9 - *Restricted Assets*
- NOTE 10 - *Long-term Debt*
- NOTE 11 - *Other Post-Employment Benefits*
- NOTE 12 - *Risk Management*
- NOTE 13 - *Lease Obligations*
- NOTE 14 - *Economic Dependence*

**NOTE 1 -- Summary of Significant Accounting Policies**

The accounting policies of the Frenchtown Charter Township Resort District Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Frenchtown Charter Township Resort District Authority:

**A - Reporting Entity**

The Authority was organized in under Act 59, Public Acts of Michigan - 1986. The purpose is to prevent deterioration, encourage historic preservation, and promote rehabilitation within the resort district. As organized the Frenchtown Charter Township Resort District Authority performs the following functions:

- 1 Manages drainage and road improvement construction that is bonded.
- 2 Oversees debt retirement of bonded debt that was used to finance the construction project and improvements.
- 3 Provide certain services including street lighting and rubbish collection.
- 4 Provides other services as needed to fulfill its duties.

**B - Organization-Wide and Fund Financial Statements**

The organization-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the organization.

**C - Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The organization-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the organization considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**D. Assets, Liabilities, and Net Assets or Equity**

**Bank Deposits and Investments**--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

**Receivables and Payables**--All trade receivables are shown as net of allowance for uncollectible amounts.

**Inventories and Prepaid Items**--Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**Use of Estimates** -- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**NOTE 1 -- Summary of Significant Accounting Policies (Continued)**

Capital Assets-- Capital assets, which include land, equipment and infrastructure are reported in the governmental activities column in the financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Equipment and infrastructure are depreciated using the straight-line method over the following useful lives:

Machinery and Equipment	5 to 10 years
Infrastructure	20 to 40 years

Compensated Absences (Vacation and Sick Leave)-- The Authority has no policy or obligation for sick and vacation pay benefits.

Fund Equity--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Reclassifications-- Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Note 2 - Reconciliation of Organization-wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a adjustments between net changes in in fund balances and changes in net assets as reported in the *statement of activities*. One element of that adjustment is that governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ (1,198,513)
Depreciation	32,604
	<u>\$ (1,165,909)</u>

**Note 3 - Stewardship, Compliance and Accountability**

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end. The legal level of budgetary control adopted by the governing body is the department level. (i.e., The level at which expenditures may not legally exceed appropriations). Any revisions that alter the total expenditures of any activity must be approved by the Authority Board.

Amounts encumbered for purchase orders, contracts, etc ., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds-- During the year, the Authority incurred no expenditures in in excess of the amounts appropriated.

Fund Deficits--The Authority has no accumulated fund balance/retained earning deficits.

**Note 4 - Deposits and Investments**

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Frenchtown Charter Township Resort District Authority' deposits and investment policy are in accordance with statutory authority.

At year-end, Frenchtown Charter Township Resort District Authority deposits and investments were reported in the basic financial statements in the following categories:

	<u>Total</u>
Cash and Cash Equivalents	<u>\$ 3,656,867</u>

The breakdown between deposits and investments is as follows:

Bank Deposits (checking and savings accounts, certificates of deposit)	<u>\$ 3,656,867</u>
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The bank balance of the organization's deposits is \$3,659,027 of which \$200,000 is covered by federal depository insurance.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Local Governmental Unit or its agent in the government's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name; and
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Local Governmental Unit's name.

At year-end, the Authority had no investments.

**NOTE 5--Receivables**

Receivables as of year-end for the Authority's funds, including the applicable allowances for uncollectible accounts, are as follows:

Taxes	\$ 1,973,450
Less: Allowance for Uncollectibles	<u>-</u>
Net Receivables	<u>\$ 1,973,450</u>

**FRENCHTOWN CHARTER TOWNSHIP RESORT DISTRICT AUTHORITY****NOTES TO THE FINANCIAL STATEMENTS (Continued)**

December 31, 2004

**Note 6 - Capital Assets**

Capital asset activity of the organization for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 6,716	\$ -	\$ -	\$ 6,716
Construction in Progress	-	538,535	-	538,535
	<u>6,716</u>	<u>538,535</u>	<u>-</u>	<u>545,251</u>
Capital Assets Being Depreciated:				
Machinery and Equipment	34,727	200	(290)	34,637
Infrastructure	-	659,778	-	659,778
Subtotal	<u>34,727</u>	<u>659,978</u>	<u>(290)</u>	<u>694,415</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	23,250	9,053	(290)	32,013
Infrastructure	-	23,551	-	23,551
Subtotal	<u>23,250</u>	<u>32,604</u>	<u>(290)</u>	<u>55,564</u>
Net Capital Assets Being Depreciated	<u>11,477</u>	<u>627,374</u>	<u>-</u>	<u>638,851</u>
Governmental Activities Capital Total				
Capital Assets--Net of Depreciation	<u>\$ 18,193</u>	<u>\$ 1,165,909</u>	<u>\$ -</u>	<u>\$ 1,184,102</u>

Depreciation expense was charged to programs of the organization as follows:

General Government	\$ 991
Public Safety	8,062
Public Works	23,551
	<u>\$ 32,604</u>

**Construction Commitments**

The Authority has improvement construction contract commitments at December 31, 2004, in the amount of \$495,110.

**Note 7 -- Pending Litigation**

At present, there are no cases of litigation pending that would have a material effect on the financial statements.

**Note 8 -- Pension Plan**

The Authority does not provides pension benefits.

**Note 9 -- Restricted Assets**

At December 31, 2004, the Authority has no restricted assets.

**Note 10 - Long-Term Debt**

The Authority has no outstanding debt as of December 31, 2004.

**Note 11 - Post-Employment Benefits**

The Authority has no liability for post-employment benefits.

*December 31, 2004***Note 12 - Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority purchases commercial insurance for all of these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

**Note 13 -- Lease Obligations**

The Authority leases their office facility, rent free, from Frenchtown Charter Township.

**Note 14 -- Economic Dependence**

The Authority receives 77% of its tax revenue from one taxpayer.



**FRENCHTOWN CHARTER TOWNSHIP RESORT DISTRICT AUTHORITY**

**BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance With</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
<b>Fund Balance - Beginning</b>	\$ 2,842,435	\$ 2,842,435	\$ 2,842,435	\$ -
<b>Resources (Inflows)</b>				
Taxes	2,136,000	2,136,000	2,092,015	(43,985)
Interest	70,000	70,000	87,235	17,235
Other	-	-	-	-
Amounts Available for Appropriation	<u>5,048,435</u>	<u>5,048,435</u>	<u>5,021,685</u>	<u>(26,750)</u>
<b>Charges to Appropriations (Outflows)</b>				
General Government				
Authority Board:				
Board Member Per Diem	<u>3,000</u>	<u>3,000</u>	<u>2,475</u>	<u>525</u>
Director:				
Director salary			12,940	
Secretary			12,544	
Office supplies			1,208	
Publications			102	
Other			370	
Travel			-	
Total Director	<u>26,500</u>	<u>27,500</u>	<u>27,164</u>	<u>336</u>
Auditing	<u>8,000</u>	<u>7,350</u>	<u>4,890</u>	<u>2,460</u>
Legal	<u>6,000</u>	<u>4,950</u>	<u>3,025</u>	<u>1,925</u>
Building and Grounds:				
Telephone			1,714	
Utilities			2,954	
Custodial			780	
Capital Outlay			320	
Total Building and Grounds	<u>11,100</u>	<u>11,300</u>	<u>5,768</u>	<u>5,532</u>
Generating Operating:				
Insurance			5,401	
Social Security and Medicare Taxes			2,121	
Total Generating Operating	<u>7,350</u>	<u>7,850</u>	<u>7,522</u>	<u>328</u>
Total General Government	<u>61,950</u>	<u>61,950</u>	<u>50,844</u>	<u>11,106</u>
Public Safety:				
Police Department:				
Police Salaries			135,789	
Operations			2,862	
Total Public Safety	<u>145,000</u>	<u>145,000</u>	<u>138,651</u>	<u>6,349</u>
Public Works:				
Drainage District			75,587	
Lighting District			87,909	
Rubbish Removal			18,433	
Engineer			181,432	
Tree Removal			121,915	
Snow Removal			16,603	
Construction			1,216,566	
Total Public Works	<u>4,307,000</u>	<u>4,307,000</u>	<u>1,718,445</u>	<u>2,588,555</u>
<b>Total Charges to Appropriations</b>	<u>4,513,950</u>	<u>4,513,950</u>	<u>1,907,940</u>	<u>2,606,010</u>
<b>Budgetary Balance - Ending</b>	<u>\$ 534,485</u>	<u>\$ 534,485</u>	<u>\$ 3,113,745</u>	<u>\$ 2,579,260</u>